



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Regeneration Executive Member for Resources
LEAD OFFICERS:	Director of Growth and Development
DATE:	30 th April 2019

PORTFOLIO/S AFFECTED:	Regeneration	Resources
WARD/S AFFECTED:	Ewood	

SUBJECT: PURCHASE BY AGREEMENT – 12 DYSON STREET, BLACKBURN

1. EXECUTIVE SUMMARY

To seek approval to purchase the above privately owned empty property by agreement as part of the Council's Empty Property Strategy to reduce the numbers of long term empty properties and provide much needed accommodation for the Borough.

2. RECOMMENDATIONS

That the Executive Member:

Upon being satisfied that:

- this action would contribute to the economic, social and environmental well-being of the Borough;
- The condition of the property would justify the use of CPO powers under s17 of the Housing Act 1985
- sufficient funds exist for carrying the resolution into effect;

- 2.1 Authorise the Director of Growth and Development in conjunction with the Director of HR, Legal and Governance to negotiate to acquire the property by agreement to bring about its re-use.
- 2.2 2. that following any acquisition, the Director of Growth and Development be authorised to dispose of the property on the open market on condition that the property is refurbished and re-occupied within six or 12 months (as appropriate to the scale of the works).
- 2.3. gives authority, if negotiations fail, for a compulsory purchase order (CPO) to be made under Part II, Section 17 of the Housing Act 1985 in respect of the property.

3. BACKGROUND

- 3.1 As part of the Council's commitment to bringing empty properties back into use, this property has been evaluated using the priority scoring system (appendix 1).
- 3.2 The last tenant at the property vacated quickly in August 2018 following alleged anti-social behaviour. Once the property became unoccupied, it was broken into and vandalised by persons unknown.

- 3.3 The site of the property is outlined in red on the attached plan (appendix 2).
- 3.4 Substantial efforts have been made by the Empty Housing Project Manager to identify and contact the owner to encourage him to bring the property back into use. The owner has co-operated with the Council and carried out emergency securing works each time the property has been broken into.
- 3.4 12 Dyson Street, Blackburn is a pre-1919, brick built mid-terraced house with a pitched slate roof and a single storey annexe. The ground and first floor windows and doors are boarded over following various vandalism incidents. The rear yard gate has been smashed, resulting in fly-tipping which has filled the rear yard. Internally, the kitchen units and bathroom suite have been vandalised beyond repair.
- 3.5 The owner has been in negotiations with his insurance company but feels that their offer would not cover the cost of refurbishment works required to bring the property back into a habitable state and rather than wait for the lengthy CPO process, has agreed to sell the property to the Council to enable it to be brought back into use by a local owner, in a timely manner.

4. KEY ISSUES & RISKS

- 4.1 Tackling empty properties supports the key priorities in the Council's Corporate Plan and the Empty Property Strategy.
- 4.2 There are currently around 2,569 empty and unfurnished properties in the Borough, of which 417 have been empty for over 2 years and are being charged a premium rate for Council Tax (as at April 2019). Contact has been made with all owners of long term empty properties and as a direct result of that intervention, 508 empty properties were brought back into use in 2018/19. However, as quickly as properties are removed from the empty property list, others are added to it.
- 4.3 Continued efforts are required to ensure that properties are empty for a minimum period of time and the Council's message that long term empty properties will not be tolerated continues to be communicated.
- 4.4 There are currently no grant funding opportunities available to support empty homes (previous HCA initiatives ended in March 2015). Direct support and signposting is offered to help owners to bring their properties back into use. Where owners are unwilling or unable to bring their properties back into use, enforcement action is considered to be the most appropriate course of action to be taken.
- 4.5 Empty properties in the Borough can have negative environmental impacts on neighbourhoods in addition to being a wasted housing resource. At neighbourhood level, empty properties attract fly-tipping, crime, arson and nuisance. It is a priority to tackle these problems through enforcement action as part of the wider effort to improve neighbourhoods and prevent blight.
- 4.6 Bringing empty properties back into use creates additional accommodation for rent or sale and can also generate additional income for the Council via New Homes Bonus (NHB) payment.
- 4.7 Purchase by agreement and any proposed CPO action (if required) will be funded through the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme. The budget allows for the acquisition and re-sale of CPO properties. Capital receipts received from the sale of properties are recycled back into the project to enable further CPO's and

purchases by agreement to be carried out. It is estimated that the property will be valued at around £35,000 and there are adequate uncommitted funds available within this project to support the acquisition.

- 4.8 Once acquired, this property will be offered for sale via a local estate agent to the highest bidder, with preference given to buyers who intend to owner/occupy the property once renovated. A building licence will be granted to the buyer and the formal sale is completed once the property has been renovated to the Council's required standard. This approach also encourages the use of local labour and local spend.
- 4.9 To date, 17 properties have been acquired using Neighbourhood Intervention Project funding. Of these, 13 have been successfully refurbished, 3 are in the process of being refurbished and 1 is in the process of being sold with works to commence in the near future.

5. POLICY IMPLICATIONS

- 5.1 The Corporate Plan prioritises new house building and improvement of conditions in older housing. Bringing empty properties back into use is an alternative means of increasing supply and also improves housing conditions and is, therefore, relevant to both of the key corporate objectives
- 5.2 Bringing housing back into use would increase housing supply in the borough. Properties may be occupied by owner/occupiers or be available as private rented accommodation. It would also free the local community of the problems created by properties standing empty and derelict for such a long time.

6. FINANCIAL IMPLICATIONS

- 6.1 The funding for acquisitions by agreement is available in the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme.
- 6.2 Proposed purchase by agreement for this property will be funded through the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme. This project has a capital budget of £596,000 (Capital receipts received on the sale of properties are recycled back into the project to enable further CPO's and PBA's to be carried out) The property is expected to be valued at around £35,000 and there are currently £200,000 of uncommitted funds available within the project to support the acquisition.
- 6.3 Some revenue budget will be required to fund the subsequent sale of the property. The amount required will be approximately £1,200 for the estate agent's fees which will be funded from within existing budgets.
- 6.4 Capital receipts from sale of assets funded by the Neighbourhood Intervention Fund will be recycled back into the project so that further acquisitions by agreement and CPO's can be undertaken, as and when required.

7. LEGAL IMPLICATIONS

7.1 Under the provisions of section 17 of the Housing Act 1985, the local authority may acquire houses or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings. The power is available even if the ownership of the property is to be transferred to someone else.

7.2 The making of a CPO does not prevent negotiations with any person holding an interest in land affected by the CPO as these negotiations can proceed in parallel with the statutory process. Indeed, it is advised that where possible, negotiations can continue throughout the process even up to confirmation of the Order.

7.3 In this case, the owner has no objections to the Council acquiring the property and is prepared to negotiate to sell by agreement, negating the requirement for the lengthy CPO procedure.

8. RESOURCE IMPLICATIONS

8.1 Resources needed to acquire the property will be provided by the Empty Properties Team and the legal team.

8.2 Some support will be required from Capita to carry out a valuation of the property concerned.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 ☒ Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 ☐ In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3 ☐ In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

10. CONSULTATIONS

10.1 Comprehensive consultation has been undertaken to understand the impacts of empty properties on local communities. The Strategic Housing Market Assessment (SHMA) supports bringing empty properties back into use. This has also been reflected in the Council's Local Plan which treats empty properties as a valuable resource towards meeting housing need within the borough.

10.2 The further development of the Council's Empty Property Strategy has also consulted stakeholders and agencies prior to consideration of further tools to tackle empty properties.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The

recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION:	0.04
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CONTACT OFFICER:	Project Manager Empty Housing - Nicola Fox
DATE:	30/04/2019
BACKGROUND PAPER:	Empty Property Strategy